

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

US SPRINT'S APPLICATION FOR)	
APPROVAL OF FTS 2000 SERVICE)	CASE NO. 89-170

O R D E R

On June 26, 1989, US Sprint Communications Company Limited Partnership ("Sprint") filed an application and proposed tariff with the Public Service Commission ("Commission") seeking approval for provision of Federal Telecommunications System 2000 ("FTS 2000") service pursuant to a contract with the United States General Services Administration ("GSA"). Sprint was awarded approximately 40 percent of the contract services. Sprint also requested a deviation from 807 KAR 5:011, Section 13, requiring that copies of special contracts be filed with the Commission, based on the premise that disclosure of the terms and conditions of the contract would be competitively harmful and is not needed to protect the public interest.

On August 14, 1989, South Central Bell Telephone Company ("SCB") filed a motion for intervention and investigation of Sprint's application for tariff approval. Sprint filed a response to SCB's motion on August 21, 1989.

By Order of August 24, 1989, the Commission granted Sprint's request for deviation except for the Kentucky-specific portion of the contract which was required to be filed. The Order further granted intervention to SCB but did not address the request for

suspension of the application. However, based on Sprint's response to its motion, SCB withdrew its request for suspension on August 25, 1989.

In compliance with the Commission's Order, Sprint filed a copy of the Kentucky-specific portion of the FTS 2000 contract on September 7, 1989, along with a petition for confidential treatment of Exhibit C filed with the contract. The Commission granted confidential treatment of that material by Order dated October 17, 1989. Sprint also filed a motion for immediate approval. Subsequently, on September 9, 1989, an informal conference was held between Sprint and Commission staff for the purpose of clarifying any remaining issues concerning the contract and tariff.

The Commission, having reviewed the evidence of record and being sufficiently advised, finds:

1. The FTS 2000 service is a special arrangement available only to agencies of the United States government, and its use will be primarily interstate, although some of the traffic will be intrastate and may result in some intraLATA traffic.

2. FTS 2000 replaces the existing federal telecommunications system and is to be implemented October 8, 1989.

3. The GSA contract was awarded according to the GSA bidding process and provides for necessary services to the federal government. The contract should be available for Commission and Staff review on a continual basis.

4. As a nondominant carrier, Sprint is not required to demonstrate that its rates are reasonable, absent a showing that

the service is not in the public interest.¹ Therefore, Sprint's contract containing the rates for FTS 2000 service should be approved.

5. The tariff revision proposed by Sprint simply states that it has contracted with GSA to provide FTS 2000 service and that it may provide service under customer-specific contract arrangements where practicable. The tariff revision does not change Sprint's ability to enter into special contracts or relieve Sprint from responsibility for filing such contracts for Commission approval under the provision of 807 KAR 5:011, Section 13. Therefore, the tariff should be rejected as unnecessary, because the contract for the service is approved herein.

6. Sprint has the capability and should measure and report intraLATA usage, subject to any compensation to local exchange carriers the Commission may require in Administrative Case No. 323.²

IT IS THEREFORE ORDERED that:

1. The FTS 2000 contract between Sprint and GSA is hereby accepted.
2. The proposed tariff is rejected.

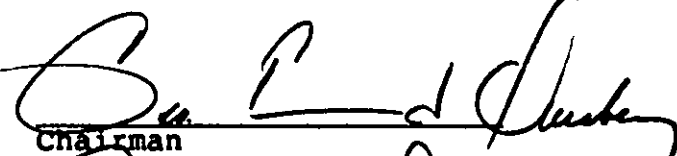
¹ See Administrative Case No. 273, An Inquiry Into Inter- and IntraLATA Competition in Toll and Related Services Markets in Kentucky.

² Administrative Case No. 323, An Inquiry Into IntraLATA Toll Competition, An Appropriate Scheme for Compensation for Completion of IntraLATA Calls By Interexchange Carriers, and WATS Jurisdictionality.

3. Sprint shall measure and report any intraLATA usage, subject to any compensation the Commission may require to local exchange carrier in Administrative Case No. 323.

Done at Frankfort, Kentucky, this 24th day of October, 1989.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director